

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re

Canal Benk Realty LLC

Debtor.
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STATE OF NEW YORK)
) ss:
COUNTY OF KINGS)

Chapter 11

Case No. 11-47731

Local Rule Statement

Alexander Ashkenaxi, as Managing Member, deposes and says under penalty of perjury, as follows:

1. I am the Managing Member of Canal Benk Realty LLC, (the “Debtor”) and I am submitting this affidavit pursuant to local rule in support of the Debtor’s Chapter 11 filing.

2. On September 9, 2011, the Debtor filed a Chapter 11 petition under Title 11 of the United States Code, 11 U.S.C. “101 et seq. (the “Bankruptcy Code”).

3. The Debtor owns a parcel of real property located at 26 Canal Bank Rd, Windsor Locks, Connecticut (the “Property”). The property includes three contiguous parcels of approximately 3.38 acre of residential zoned land with two buildings formerly used as a mill, plus detached garage altogether comprising approximately 255,446 square feet.

4. The Debtor estimates that the Property has a \$900,0000 value. Such value is based upon the Debtor’s understanding of the market, but the Debtor has no current appraisal.

5. The Property is encumbered by real estate tax, tax liens in the amount of approximately \$342,382. The Property is also encumbered by 2 subordinate mechanics liens in the amount of approximately \$82,000.

6. The Debtor's general unsecured claims, total approximately \$2,529,000. \$2,500,000 represents acquisition financing, approximately \$24,000 represents a municipal claim arising from two fires and approximately \$5,000 is a vendor claim. second mortgage, and \$679,993 of other general unsecured claims, total approximately

7. The Property is currently vacant. The Debtor's financial problems arise from the economic downturn which has depressed the Debtor's ability to develop or sell the Property, and the owner's ability to pay accruing real estate taxes. The Debtor filed this case to avoid a judicial sale and the the Debtor's objective in this Chapter 11 case is to refinance or sell the Property on an orderly basis for the benefit of all interested parties.

8. In In the meantime, the Property has very little in the way of operating expenses and no income whatsoever.

9. No committee of creditors was previously appointed hereto.

10. The Debtor has not previously filed a Chapter 11 Petition.

11. The schedule of twenty (20) largest non-insider unsecured creditors is annexed to the petition.

12. No shares of stock, debentures or other securities of the Debtor or any subsidiary of the Debtor are publicly held.

13. I will be responsible for the Debtor's management during this case.

Dated: New York, New York
September 9, 2011

s/Alexander Ashkenaxi, as Managing Member